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July 2, 1974
No. 0988/74

MEMORANDUM

SUBJECT: Short-Term Prospects for Argentina

Mrs. Peron's tenure as president will depend on how long it takes Peronist and military leaders to work out a mutually acceptable solution to the succession problem. Since Peron's illness last fall, various right-wing Peronist leaders have been meeting [redacted] with both retired and active duty officers to discuss succession in the event of Peron's death or incapacitation. [redacted]

The military, which is still widely unpopular, prefers an orderly institutional succession. Major political leaders, Peronist and non-Peronist alike, agree. With the Peronist Movement likely to undergo a gradual disintegration, the military will have to play a key role in establishing whatever government eventually evolves. None of the service commanders is a particularly strong individual, and squabbles are likely to develop over what course of action to follow. The stakes are too great for a serious split in the unity of the military, however, and the high command probably will stick together.

One of the first problems may be to convince Maria Estela to stay in the job and thus avoid the election that otherwise would be mandatory. In the past she has expressed a reluctance to assume the presidency. She is not popular, and knows it. She recognizes her lack of experience and inability to

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contend with the country's grave problems. The fact that Peron on several recent occasions stated publicly that he had no "heir-apparent" suggested that Mrs. Peron had given up any illusions about succeeding him for more than a brief period.

Appeals to patriotic duty and her husband's memory will keep her in the job for the immediate future. Jose Lopez Rega, Peron's private secretary and confidant, will also advise her to retain the presidency. He is ambitious, and with Peron gone he will try to control Maria Estela. He is almost universally feared and detested by political and military leaders, who probably are already maneuvering for his ouster and exile. Without Peron's strong hand, confusion within the highest levels of government will grow as leaders such as Lopez Rega, and Minister of Economy Jose Ber Gelbard, contend for positions of power.

When Mrs. Peron decides that the burdens of state are too much for her, military leaders may attempt to persuade her to convoke a Council of State, representing all political parties except those of the extreme left. It would be a cumbersome entity and governing would be difficult. If she agreed to remain as titular head of such a policy organization, national elections could be postponed for some time. On the other hand, if Mrs. Peron steps down, her successor, Senate President Jose Allende, must within 30 days set a date for elections, according to the constitution. It is not clear how soon the election must be held.

Another presidential election would have a traumatic effect on Argentine society. It is unlikely that any single party candidate could receive the absolute majority of votes required by law to forestall a runoff contest. To form the alliances necessary to gain a majority in a runoff would require cooperation by political groups that in the past have been incapable of compromising their differences.

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If Allende does become President, the military would probably try to persuade him to put off the actual election date as long as possible in the hope that candidates could be agreed on. It is unlikely that Allende himself would be a leading contender since his Christian Democratic Party is small and he lacks any other political following. The chances are greater that the military would favor some sort of coalition ticket. One possibility would be a joining of forces by former provisional President Raul Lastiri, a long-time Peronist, who heads the Chamber of Deputies, and Radical Party leader Ricardo Balbin, who has been cooperating closely with the Peronist government.

The sudden return of former President Hector Campora to Buenos Aires last week, following his resignation as ambassador to Mexico, increases the likelihood of an attempt to form a leftist Peronist coalition. A leftist coalition would create turmoil and division in a campaign, giving the military another reason to try to postpone elections until a strong candidate can be agreed on. If military leaders are unable to find a candidate they are convinced will win, they may turn to an extra-constitutional solution.

Even though all political leaders officially pledged to support Mrs. Peron when she was installed as temporary chief of state on June 29, a number of Peronist factions can be expected to act independently now that Peron is dead. This is especially true of the leftist Peronist youth leaders, who earlier this year were all but read out of the movement by Peron himself for their disruptive demonstrations and public attacks on his wage and price stabilization policies. Those who seek to use Peron's Justicialist movement as a means to gain power can be expected to renew their criticism of the government's social pact that was designed to control inflation.

The extremist terrorist groups will also try to take advantage of the leadership vacuum that now exists. The People's Revolutionary Army probably will step up acts of violence, and other guerrilla

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organizations on the fringes of the Peronist Movement may increase terrorist operations as confusion in government grows. A general breakdown of public order of a magnitude that would force overt military intervention, however, does not appear likely at this time. The extremists, although well financed, lack numerical strength. They also have shown some sensitivity to public opinion and probably will not overplay their hand until the period of mourning for Peron has passed.

No matter what happens in the short term, there is no one in view to replace Peron. The desperate hope of even those who hated him--that Argentina could at last fulfill its potential under a stable government--seems to have been dashed by Peron's death.

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